

AMENDED IN SENATE APRIL 1, 2002

SENATE BILL

No. 1972

Introduced by Senator Polanco

February 22, 2002

An act *to add Section 1581.1 to the Insurance Code*, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1972, as amended, Polanco. Alien insurers.

Existing law requires an alien insurer organized under the laws of any other jurisdiction other than a state of the United States to make a specified money deposit with the Insurance Commissioner in order to transact insurance in California.

This bill would ~~declare the intent of the Legislature to enact legislation~~ *require the commissioner* to exempt an alien insurer from the deposit requirement under certain conditions.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. It is the intent of the Legislature to enact~~
2 ~~legislation to provide that an alien insurer that is regulated by its~~
3 ~~country of origin may be exempted from the deposit requirement~~
4 ~~of Section 1581 of the Insurance Code if the Insurance~~
5 ~~Commissioner~~

6 ~~SECTION 1.~~ *Section 1581.1 is added to the Insurance Code,*
7 ~~to read:~~

1 1581.1. *Notwithstanding Section 1581, the commissioner*
2 *shall exempt an alien insurer that is regulated by its country of*
3 *origin from the deposit requirement if the commissioner is satisfied*
4 relative to all of the following:

5 (a) The insurer is offering as a product a contract that is a
6 one-time purchase of one hundred dollars (\$100) or less.

7 (b) The insurer has met deposit requirements of its country of
8 origin that are equivalent to more than otherwise would be
9 required in this state.

10 (c) Any payment due under the contract is secured by
11 government securities in the host country.

12 (d) The insurer is able to demonstrate a satisfactory history of
13 offering the same product for a period of five years.

